

IMF-ILO conference warns of political upheavals

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The fear of social and political upheaval haunting ruling circles around the world was graphically expressed at a recent joint conference of the International Monetary Fund (IMF) and the International Labour Organisation (ILO) that reviewed the worsening global levels of unemployment and poverty.

Laszlo Andor, the European commissioner for employment and social affairs, told the conference in Norway that 2010 had been an “annus horribilis” for unemployment. “But if we fail to act,” he warned, “2011 may still turn out to be the annus horribilis for social cohesion”. In other words, Andor’s fear was that mass joblessness could bring a mass upsurge of class struggles and political crises—next year.

The figures presented to the conference speak for themselves. There are now over 210 million workers jobless globally—the highest level in recorded history—a 34 million rise in the past three years. Around 80 percent of the world’s population has no social welfare of any kind. Approximately 1.2 billion people, or 40 percent of the world’s labour force, do not earn enough to keep themselves or their families above the \$2-a-day poverty level.

What particularly concerned Andor and other top officials was that much of the increased joblessness has been in the advanced economies of Europe and the US. In the US, the official number of unemployed has risen from 7.5 million to more than 15 million (half of these are long-term unemployed)—a level not seen since the Great Depression. Across Europe, there are now more than 23 million unemployed—a 36 percent increase since 2007.

IMF chief Dominique Strauss-Kahn told the gathering that the global financial crisis had left a “wasteland of unemployment”. He said that having a job was “often a matter of life and death” and warned that rising unemployment could lead to violent conflict.

Featured speakers included Spanish Prime Minister José Luis Rodríguez Zapatero and Greek Prime Minister George Papandreou, whose governments have already confronted strikes and mass protests against their IMF-dictated austerity measures. Zapatero warned the audience that long periods of high unemployment could set off “a crisis of pessimism” and “lack of confidence” in governments across Europe.

The ruling classes in Europe and internationally are acutely conscious of the extreme social and political tensions being generated by sharply declining living standards. Hostility to established political parties has been expressed in recent elections in Britain, Australia and Sweden that resulted in hung parliaments. In the US, the Democratic Party is facing major losses in mid-term congressional elections in November. Protests and strikes have not only erupted in Europe but have also emerged among the super-exploited in Asia—garment workers in Bangladesh and Cambodia, and car workers in China.

The conference document highlighted the potential for political radicalisation among young people who have been especially hard hit by job-shedding. In 2009 alone, the number of young people out of work globally rose by 6.6 million. Youth unemployment in Spain is officially 40 percent. In Italy, Sweden and France, it is currently around 25 percent and about 20 percent in the

US and the UK.

The document warned: “Personal joblessness experience translates into negative opinions about the effectiveness of democracy and increases the desire for a rogue leader ... [This] extends to individuals who do not experience unemployment themselves, but live in a country and period with high unemployment. High and long-lasting unemployment therefore represents risks to the stability of existing democracies.”

Millions of young people—whether jobless or not—are starting to see for themselves that parliamentary democracy and the established parties are nothing but a screen for the interests of the wealthy corporate and financial elites. That disaffection can be exploited by parties of the extreme right that rail against the banks. However, in speaking of “rogue leaders”, what the ruling elites really fear is the rise of revolutionary sentiments among workers and youth, and genuine socialist parties committed to the abolition of the profit system.

The inability of capitalism or its political representatives to offer any solutions to working people was reflected in the poverty of the conference discussion. Of course, the delegates had to feign concern for the unemployed. But these are the very IMF officials, government leaders, corporate CEOs and trade union bureaucrats who are responsible for creating the jobless “wasteland” over the past two years.

As for proposals, the final conference statement promised to work on “employment-creating growth” and “a minimum social protection floor for people living in poverty”—right at the point where major corporations continue to downsize and governments are slashing budgets. It also called for more “social dialogue” and better “tripartite solutions”—that is, the even closer collaboration of the trade unions with governments and big business in imposing the agenda of austerity.

Two decades ago, amid the triumphalism in bourgeois circles that surrounded the collapse of the Stalinist regimes in Eastern Europe, commentators

described 1989 as an “annus mirabilis”—a year of miracles that marked the death of socialism. The International Committee of the Fourth International (ICFI), the world Trotskyist movement, was alone in declaring that the collapse of Stalinism represented the end of all nationally-based programs and foreshadowed a profound crisis of world capitalism.

European Commissioner Andor’s declaration that next year could be an “annus horribilis for social cohesion” is a call to arms to the capitalist classes. For all the talk at the ILO-IMF conference about the political dangers facing “democracy”, the ruling elites will not hesitate to resort to their own methods of extra-parliamentary rule to impose pro-market policies and retain their grip on power.

The bourgeoisie and its representatives are extremely conscious of the political dangers posed to their interests by the worsening global economic crisis. The working class must begin to develop its own political counteroffensive on the basis of the perspective of the ICFI to abolish the profit system and establish a world planned socialist economy.

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